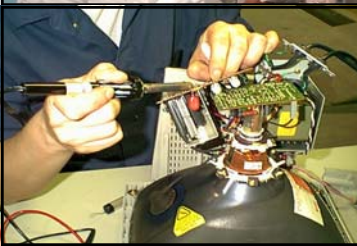


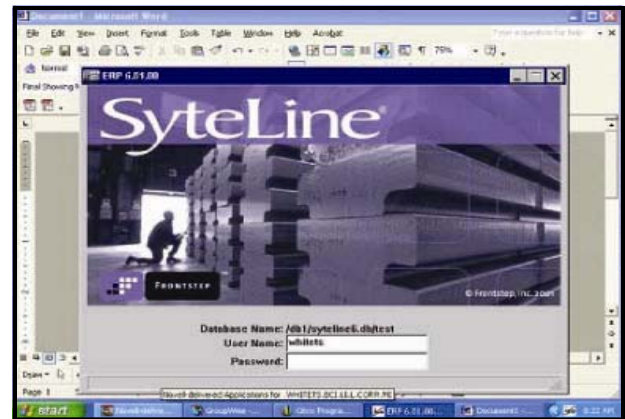
MSI INSIDER NEWS

Web: www.michigan.gov/msi



SYTELINE / MULTI-SITE CLOSES IN ON FINAL IMPLEMENTATION PHASE

The SyteLine / Multi-Site conversion is scheduled for completion by July, 2006. All factories intending to implement Multi-Site are up and running with the exception of the three Furniture Manufacturing operations. The chair factory will be the first slated for June, 2006 with Refinishing and Wood Furniture soon to follow. The Multi-Site Core Team members continue to meet monthly to discuss topics and issues related to the implementation.



MSI welcomes our new Multi-Site Coordinator, Sandeep Jain. Sandeep will continue to report to DIT while he assists MSI with solving SyteLine technical issues. A Multi-Site User Group

will be formed in order to have factories with similar products meet and discuss any topics related to the program. All MSI Departments have done a GREAT job during conversion!!

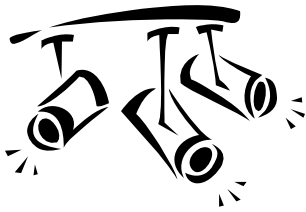
MSI OFFERS DISCOUNTS TO "COOL CITIES"

Governor Granholm kicked-off the "Cool Cities" initiative in June, 2003. Cool Cities is about building vibrant, energetic cities that attract jobs, people and opportunity throughout Michigan. The program



strategy is to revitalize communities, build community spirit, and attract workers and jobs. The Michigan Cool City Pilot Program is underway. The program provides resources that can be used by cities and communities for revitalization projects.

Over 200 Michigan cities will submit applications for grant awards. MSI will offer a 20% discount on select products to any "Cool Cities" recipient. For more information on the Cool City program visit the web at: www.coolcities.com.



FACTORY SPOTLIGHT

LICENSE PLATE

SCHOOL FUND-RAISING

CATCHES ON!!



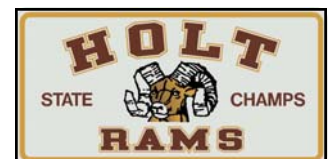
The Gus Harrison Correctional Facility located in Adrian, MI employs 105 inmates to produce license plates. In 2005, the factory produced close to 2 million plates for the State of Michigan. Will Rondeau, Superintendent of the license plate factory was contacted by the Lenawee Connection Daily News. They were interested in finding out more about the operation, and to inquire about the new statewide Booster Plate Program. Rondeau, along with Industries Supervisor Jim Brockway have done a tremendous job in getting the program off to a running start. The buzz around Lenawee County was that the booster plates were catching on FAST!! The new statewide

Booster Plate Program is aimed at helping schools raise money for special projects and fund school activities. 24 schools across the state have signed on to purchase the plates. So far, 7 Lenawee County schools have purchased the plates, including Hudson, which was the first school in the state to do so. At Clinton High School, profits from the sale of the plates may help save the freshman basketball season, which was cut last summer due to budget constraints. The idea is also catching on with

other non-profit organizations. Madison Township Fire Department placed an order recently. "Our goal is to help the schools out", Rondeau said. "It's a win-win situation". The plates, which are the same quality as the regulation license plates, are sold to the booster clubs for \$3.50 each, and schools have been selling them for \$10.00 to \$15.00. The factory will also purchase a new software program called Flexi-7.

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High School Booster Plate Samples



High School Booster Plate Samples



Recycle Facts

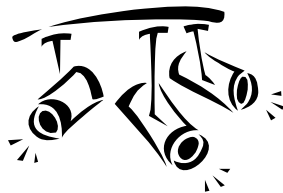
"According to an environmental savings report conducted in December 2004, MSI recycled 531.68 net tons of recycle materials. This amount saved 9,039 trees, 3,721,760 gallons of water, more than 1,595 cubic yards of landfill space, and kept more than 31,901 pounds of air pollution effluents out of the air". George Dixie, MSI Engineer

The new Flexi-7 software program will allow image files to be downloaded, and designed in a variety of different ways. For example, a high school logo can be taken off the school's website. The logo is then downloaded into the program. The exact school colors can be matched perfectly.

Various designs of the plate are created as samples and then e-mailed to the school. Rondeau said this is the best way to market this product effectively. Schools will now be able to view and make good choices when purchasing the plates. Use of the new software will be a valuable asset.

Once the software is installed, Jim Brockway will attend training to learn more about the program. Specialty plates have always been a staple product for the license plate factory. Inmates produce over 400 personalized plates each day. Rondeau has definitely carved out a new niche for his industry.

The entire interview with Will Rondeau can be viewed on the MSI website



FACTORY SPOTLIGHT JACKSON WAREHOUSE RECYCLING BUSINESS GROWS

The MSI Recycling Program located at the Jackson Water Street Warehouse saves State dollars while contributing to the environment. Scott Pelham, Warehouse Superintendent, along with Ron Miller, Asst. Superintendent have been monitoring the success and growth of the program. The recycle program began in the summer

of 2000. Cardboard boxes along with white office paper were picked up from a few facilities, and recycled. At that time, savings to the State were minimal. Currently, the warehouse operation picks up and recycles cardboard boxes, wood pallets, mixed office paper, metal / tin cans, and 5 gallon plastic pails from MDOC facilities at

no charge. Cardboard boxes are picked up from 25 facilities throughout the state, along with finished products produced at the Marquette, Kinross, and Chippewa garment factories. The trucks are 80% to 100% full when returning to the warehouse which increases trucking efficiency, and saves indirect dollars for the State.

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MSI RECYCLING CONTINUED...

Once unloaded, inmates bail the cardboard boxes. There were a total of 41 loads of cardboard bailed in 2005. The recycling of cardboard saves each MDOC facility \$1,800 per month because the facilities no longer have to pay for each compactor to be emptied. For exam-

ple, a State savings of \$540,000 can be realized with just 3 loads picked up per month from 25 facilities. Wood pallets are also picked up from all facilities. There were a total of 10,178 pallets recycled and resold in 2005. This would amount to 93 trips to the landfill at a cost of \$110.00 per trip. Instead, by recycling it keeps the

pallets out of the landfills, and a total savings of \$10,230.00 is realized. The recycle of plastics has been just as cost effective. As of March 1, 2006 the warehouse will begin to recycle a wide variety of plastic products. MSI has made a definite contribution to preserving the environment while saving taxpayers money!!!



Recycle Facts

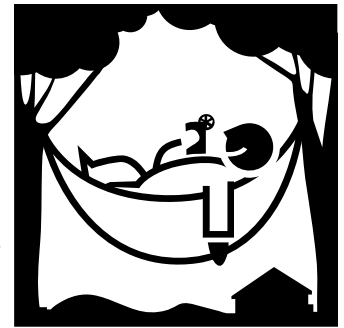
"In December 2000, MSI recycled 110.80 net tons of sorted paper which saved 1,883 trees, 775,582 gallons of water, more than 332 cubic yards of landfill space, and kept more than 6,647 pounds of air pollution effluents out of the air". George Dixie, MSI Engineer.



Pictured from left: Linda Metrish, Warren, Kinross CF and Dale Hauswirth

Dale Hauswirth Retires After 29 Years

Dale Hauswirth, MSI Accountant for all U.P. factories decided to lay the pen down, and close the books on January 31, 2006. Dale began employment with MDOC in May of 1977 as a Corrections Officer at Marquette Branch Prison. In March, 1979 he was promoted to Bookkeeper / Cashier. He plans to travel the U.S., starting with a visit to Florida in the Spring!! We wish him the very best!!



Relaxation!!



Customer Testimonials



Michigan State Industries received letters of appreciation along with e-mails from customers expressing their feelings about the great service and products that we provide. We would like to share some of these comments with YOU!!

DeMarse Corrections Academy - *Lt. Malekka Maki expressed the following: "On behalf of the training staff we extend our thanks to you for participating with our Graduation. Your commitment and professionalism is appreciated. Your display looked great, and so did the seal you brought for us to use. Thank you again".*

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Customer Testimonials



NASS, Michigan Field Office - *Vince Matthews, Deputy Director wrote: "I want to express my appreciation for Bill DeHart's attention to our need to replace the arms which came on the chairs we purchased in February 2003. Bill never hesitated in providing support to us in obtaining the replacement arms. Bill made sure that we were provided documentation on our warranty to insure that when a better constructed arm became available, we would be eligible to receive new arms for every chair we purchased. When the new product arrived in November 2005, Bill arranged for the arm replacements. We appreciated very much his efforts on our behalf".*

Kinross/Hiawatha CF - *Janine LaCroix, Procurement Tech e-mailed the following memorandum to Ronald Miller, Warehouse Asst. Superintendent and Larry Williams, Metal Furniture Superintendent. "We have completed the population increase and the success is owed to you. Working with both of you has been a wonderful, effective, efficient and professional and positive experience. Your attention, patience and your unyielding flexibility for exceeding customer expectations is more appreciated than can be expressed. I know a plethora of demands for furniture and delivery were plaguing you both and everyone wanted everything at once. However, there was never a complaint or concern and never a NO implied or stated. Both you and your staff were always ready and willing to assist to find solutions to all challenges that we were faced with". Thank you, Our Hats Off to You!!*

Sault Ste. Marie Committee - *Steve and Cindy Welch expressed the following to Joyce Cram, Kinross Garment Superintendent. "The Committee enjoyed the "Blast from the Past" fashion show. I have received more orders over the past few days for garments. Many of the people had to digest it for a day or so. Again, great job!! The Sault Community Theatre plan on using many of the costumes this summer in a play entitled, "Time Machine: Sault Ste. Marie". The fashions were designed for the Soo Locks 150th Anniversary Celebration.*

Habitat for Humanity, Battle Creek - *Art Pearce, Executive Director mailed a letter expressing their gratitude: "We would like to express our deep appreciation to your organization for the generous donation of computers and walls to the Battle Creek Area Habitat for Humanity families. The families want to convey to you that your kindness and generosity is something they have never known before. Please know that your work has made a lifetime impact on these families and what your organization has done will be part of their family stories for generations. We at Habitat also think very highly of what you do and our ongoing partnership and want to add our thanks to theirs".*